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May 13, 2009

CLIENT/MATTER NUMBER
094622-0101

VIA E-MAIL

Sharlene I. Chance
Dickerson Law Group
5003 Horizons Drive
Suite 101
Columbus, Ohio 43220

Re: *Clark v. Walt Disney Co.*, Case No. 08-CV-00982 (S.D. Ohio)
Request For Stay of Discovery

Dear Counsel:

We write to inform you that Defendants will be filing another motion to dismiss directed to Plaintiff's failure to join a necessary party, and to renew our request that Plaintiff stipulate to stay all pending discovery until the District Judge rules on the Defendants' pending motions to dismiss.

In determining whether to stay discovery during the pendency of a dispositive motion, courts will generally look to three factors: (1) breadth of discovery sought; (2) any prejudice that would result; and (3) the strength of the dispositive motion. *See Picture Patents, LLC v. Terra Holdings LLC*, No. 07-CV-5465, 07-CV-5567, 2008 U.S. Dist. LEXIS 98030, at *6-12 (S.D.N.Y. Dec. 3, 2008). In *Picture Patents*, the court stayed discovery because of: (1) the strength of the motion to dismiss where there were serious questions concerning ownership of the patent-in-suit; (2) the burden and expense in responding to discovery requests where there were multiple defendants and multiple discovery disputes; and (3) the lack of prejudice to the plaintiff where the plaintiff was not entitled to a preliminary injunction. *Id.* The facts of the instant case are remarkably similar to *Picture Patents*, and as that court held, all of the factors weigh in favor of a stay in discovery.

I. Defendants' Pending Motions To Dismiss Will Likely Be Granted

A. Motion To Dismiss For Failure To Join A Necessary Party

Plaintiff has clearly failed to join a necessary party to pursue this action. "The traditional rule is that all of the co-owners of a patent must join in bringing a suit for infringement. Furthermore, one co-owner cannot join the other owner or owners as involuntary plaintiffs or defendants, even if the latter are subject to the jurisdiction of the court." Donald S. Chisum, 8 *Chisum on Patents: A Treatise on the Law of Patentability, Validity, and Infringement* 21-548 21-549 (Matthew Bender & Co. 2005); *see also Ethicon, Inc. v. United States Surgical Corp.*, 135 F.3d 1456, 1468 (Fed. Cir. 1998).

In response to JAKKS' discovery requests, Plaintiff has stated that "the patent was assigned to Inotrend, then to Aaron Clark, then jointly to Aaron Clark and John Peirano." *See* Plaintiff's

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Response to JAKKS' Interrogatory No. 15. The assignment agreements filed at the U.S. Patent & Trademark Office, confirm that John Peirano has a 50% ownership interest in the patent-in-suit. A copy of the assignment agreements obtained by Defendants is attached as Exhibit 1.

In other words, Clark and Peirano are co-owners of the patent-in-suit, and Peirano is a necessary and indispensable party to this litigation. Thus, it is highly likely that the Court will grant Defendants' soon-to-be-filed motion to dismiss for failure to join a necessary party, heavily weighing in favor of a stay of discovery.

We note that Plaintiff's false allegations in its Second Amended Complaint frustrated the prompt resolution of this issue. Specifically, in the Second Amended Complaint, Plaintiff alleged "Plaintiff is the ***sole owner*** of the 272 Patent." *See* Dkt. No. 45 at ¶ 28 (emphasis supplied); *see also* Dkt. No. 2 at ¶ 29; Dkt. No. 28 at ¶ 29. As shown by the attached assignment agreements and Plaintiff's Response to JAKKS' Interrogatory No. 15, however, Plaintiff's allegations regarding sole ownership are clearly false. We find it particularly troubling that Plaintiff repeated this false representation in the Second Amended Complaint, considering that the Second Amended Complaint was filed after Plaintiff served his Response to Interrogatory No. 15.

We also note that Plaintiff's withholding of necessary discovery has further frustrated the prompt resolution of this issue. For example, Plaintiff has not produced the assignment agreements related to the patent-in-suit. JAKKS served its first set of requests for production of documents on February 11, 2009. Thus, Plaintiff's responses have been due since March 13, 2009. Defendants were also forced to specifically follow-up with Plaintiff on two separate occasions regarding the assignment agreements. *See* April 27, 2009 & May 1, 2009 Letters from Song to Chance at p. 2. Although the request has been pending for three months, Plaintiff still has not produced the assignment agreements. *See* May 8, 2009 Letter from Chance to Song at p. 2. Thus, Defendants were forced to obtain the assignment agreements from the PTO themselves.

B. Motion To Dismiss For Failure To State A Claim Upon Which Relief Can Be Granted

Additionally, as set forth in Defendants' pending motion to dismiss pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, Plaintiff's claims of infringement are completely frivolous as there is no possible way the accused products infringe the patent-in-suit. Plaintiff's discovery responses further buttress the fact that Plaintiff's claims are completely frivolous.

For example, in response to JAKKS' Interrogatory No. 8 and 9, Plaintiff proposes a construction of claims 1 and 5 that would completely eliminate the claim element(s) regarding the "portion of [the] poster that [the] housing covers when said housing is attached to said poster." This is improper as a matter of law. *See Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 40 (1997) (holding that patent infringement requires that an accused product have ***all*** the same elements, or substantial equivalents thereof, present in the claim of the patent); *Dayco Prods., Inc. v. Total Containment, Inc.*, 329 F.3d 1358, 1370 (Fed. Cir. 2003). Further, as Magistrate Judge Abel recognized, Plaintiff's response to JAKKS' Interrogatory No. 3 "concede that the claim element at issue is not literally infringed by the accused devices." *See* Dkt. No. 41 at 2. Thus, it is highly likely that the Court will grant Defendants' motion to dismiss for failure to state a claim upon which relief can be granted, heavily weighing in favor of a stay of discovery.

II. The Discovery Sought Is Burdensome And Expensive

The breadth of discovery requested served on Defendants will undoubtedly be burdensome and expensive. *First*, the sheer number of requests guarantee that discovery will be burdensome and expensive. Plaintiff has served 25, 22 and 24 interrogatories; 23, 18 and 23 requests for admission; and 81, 77 and 80 requests for production on Defendants JAKKS Pacific, Inc., Toys "R" Us, Inc., and Play Along Toys, respectively.[1] Given that Plaintiff has served 366 discovery requests on multiple defendants (489 including Defendant Disney Shopping, Inc.), "the discovery will necessarily be time consuming, burdensome and expensive. If defendants' dismissal motions prove meritorious, the burden of litigating the discovery issues will have been for nothing and defendants will have suffered the burden of unnecessary legal fees." *Picture Patents*, 2008 U.S. Dist. LEXIS 98030, at *11.

Second, there will undoubtedly be numerous discovery disputes that will need resolution if discovery is not stayed. Indeed, Defendants have already had to send Plaintiff numerous letters outlining the deficiencies in Plaintiff's discovery responses and have already requested two discovery conferences with Magistrate Judge Abel. Moreover, many of Plaintiff's discovery requests are vague and ambiguous, overbroad and unduly burdensome, seek documents and information protected by the attorney-client privilege and/or attorney work product doctrine, seek irrelevant information, and some are simply incoherent and confusing.

In sum, given the number of discovery requests on multiple parties, and the numerous discovery disputes raised and likely to be raised, the breadth of discovery sought heavily weighs in favor of a stay of discovery.

III. Plaintiff Will Not Be Prejudiced By A Stay In Discovery

In this case, Plaintiff does not seek a preliminary injunction. *See* Dkt. No. 45 at 17-18. "Thus, a stay of discovery will not result in irreparable injury or prejudice to plaintiff; if plaintiff proves infringement, its damages for the period prior to judgment will simply be greater." *Picture Patents*, 2008 U.S. Dist. LEXIS 98030 at *11-12. Thus, this factor heavily weighs in favor of a stay of discovery.

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[1] Discovery requests served on Defendant Disney Shopping Inc. are premature. Plaintiff has yet to serve Disney Shopping, Inc. with a summons. Thus, Disney Shopping, Inc. is under no current duty to respond to the Second Amended Complaint, let alone respond to discovery requests, until it is served with a summons. *See* Fed. R. Civ. P. 12(a)(1)(A)(i); *see also* Fed. R. Civ. P. 4(a)-(c).

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IV. Summary

In sum, in light of the strength of Defendants' soon-to-be-filed motion to dismiss for failure to join a necessary party, the strength of Defendants' pending motion to dismiss for failure to state a claim upon which relief can be granted, the breadth of discovery sought, and the lack of prejudice on Plaintiff, a stay of discovery is clearly warranted.

Further, as we have previously informed you, Defendants will seek their attorneys' fees and costs incurred in defending this frivolous action. Defendant have already incurred much expense in defending itself from this frivolous action. The proposed stay will minimize additional liability of your client and your firm. As we are sure you are aware, Rule 11 sanctions run against both the client and the law firm, and we have little doubt that sanctions will be awarded given the clearly frivolous nature of this litigation.

Please let us know by **May 15, 2009** whether Plaintiff will stipulate to stay all discovery until the District Judge rules on Defendants' motions to dismiss. If we have not heard from you by that time, we will seek another hearing with Magistrate Abel.

Sincerely,

Michael J. Song

cc: Brian Dickerson
Grant Kinsel

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May 15, 2009

VIA ELECTRONIC MAIL

Michael Song
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RE: *Clark v. The Walt Disney Company, et al*
Case No.: 2:08CV982

Dear Mr. Song,

Thank you for your letter dated May 13, 2009. In response to the same, Plaintiff will not stipulate to stay all discovery until the Court rules on Defendants' motions to dismiss.[1]

This Court has already held that it will not limit discovery. (Doc. 20, p. 4). Interestingly, but not surprisingly, a week after Plaintiff served discovery requests upon Defendants, Defendants have raised objections to the breath of discovery sought. Any stay of discovery sought by Defendants will be manifestly unjust and violate Plaintiff's rights.

Defendants' counsel argued at the February 5, 2009 preliminary pretrial for a stay of discovery pending Defendants motions to dismiss as the representation was made that Plaintiff's Complaint doesn't "make weight" and therefore proceeding with discovery was unnecessary. Shortly thereafter, Defendants propounded discovery on Plaintiff, to which Plaintiff has responded and supplemented in face of Defendants many objections. However, at the time Plaintiff seeks to gain additional

[1] Plaintiff reserves the right to set forth arguments, at the appropriate time, in opposition to Defendants assertions in counsel's May 13, 2009 letter as it pertains to the "soon-to-be-filed" Motion to Dismiss For Failure To Join A Necessary Party and Motion to Dismiss For Failure to State A Claim Upon Which Relief Can Be Granted.

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information in support of his claims by serving discovery on Defendants, Defendants seek to halt all discovery until the Court rules on the pending and "soon-to-be-filed" motions to dismiss. Staying discovery would prevent Plaintiff from obtaining and producing additional evidence and gaining material facts. *Sierra Club v. Slater*, 120 F.3d 623, 638 (6th Cir. 1997). Specifically, Plaintiff seeks further evidence, *inter alia*, to demonstrate lost profits, additional supporting documentation of Defendants' knowledge of the Patent-in-Suit and to adequately pursue his claims against Defendants.

Simply, discovery in this case, as in any other complex civil litigation case, is crucial to Plaintiff in assembling the evidence needed. Defendants' request for a stay will unduly prejudice Plaintiff and cause a clear tactical disadvantage to him. As such, any "soon-to-be-filed" motions to dismiss will be addressed accordingly and any motion to stay of discovery will be strongly opposed by Plaintiff.[2]

Sincerely,

Sharlene I. Chance

Cc: Grant Kinsel (via e-mail)
Brian Dickerson (via e-mail)
Kevin Conners (via e-mail)

[2] The party seeking sanctions has a high burden to meet. "Rule 11 is targeted at situations 'where it is patently clear that a claim has absolutely no chance of success under the existing precedents, and where no reasonable argument can be advanced to extend, modify or reverse the law as it stands.'" *Associated Indem. Corp. v. Fairchild Industries, Inc.*, 961 F.2d 32, 34 (2nd Cir. 1992), citing *Stern v. Leucadia Nat'l Corp.*, 844 F.2d 997, 1005 (2nd Cir.), quoting *Eastway Constr. Corp. v. City of New York*, 762 F. 2d 243, 254 (2nd Cir. 1985), *cert denied*, 484 U.S. 918, 108 S.Ct. 269, 98 L.Ed. 2d 226 (1987), *cert denied*, 488 U.S. 852, 109 S.Ct. 137, 102 L.Ed. 2d 109 (1988).

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June 23, 2009

CLIENT/MATTER NUMBER
095202-0101

VIA E-MAIL

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Re: *Clark v. Walt Disney Co. et al.*, No. 2:08-cv-00982-JDH-MRA (S.D. Ohio)
Plaintiff's Discovery Requests and Motion for Extension of Time

Dear Sharlene:

We write in response to Plaintiff Clark's discovery requests served by e-mail on June 18, 2009 and Motion for Extension of Time to Submit Additional Briefing on Defendants' Motion for Summary Judgment ("Plaintiff's Motion") (Dkt. No. 49). Defendants will oppose Plaintiff's Motion. In addition, we raise several issues in detail below:

1. Misrepresentation of Judge Abel's May 28, 2009 Order

In Plaintiff's Motion, Plaintiff misrepresented to the Court, Magistrate Judge Abel's ruling at the discovery conference on May 28, 2009. Rather than merely placing limitations on discovery pursuant to Fed. R. Civ. P. 26(b)(2)(C) as set forth on page 2 of Plaintiff's Motion, Judge Abel **stayed discovery**. Judge Abel began the discovery conference by stating that he was "inclined to grant Defendants' request" for a stay in discovery, and in fact granted Defendants' request for a stay, with a few minor exceptions as discussed below. Notably, Plaintiff did not raise any objections to my e-mail on June 5, 2009 mentioning Judge Abel's "stay of discovery." Seizing on the fact that Judge Abel has not issued a written Order memorializing his decision, *see* Plaintiff's Motion at 2 n.3, the first and only time Plaintiff asserted that Judge Abel did not grant a stay in discovery was in Plaintiff's Motion. Defendants disagree with Plaintiff's characterization of Judge Abel's ruling.

Accordingly, Defendants request **an immediate conference** with Magistrate Judge Abel for clarification of his May 28, 2009 Order and for a written Order to prevent any future misrepresentations by Plaintiff to the Court or to Defendants' counsel. Because Defendants will oppose Plaintiff's Motion, a conference for clarification is needed by at least June 26, 2009. **Please let us know your earliest availability by noon (EST), June 24, 2009**. If we have not heard from you by that time, we will schedule a conference this week with Judge Abel for clarification without Plaintiff.

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2. Only discovery related to claim construction and infringement are necessary for Defendants' Summary Judgment Motion

At the May 28, 2009 discovery conference, Judge Abel only allowed Plaintiff to identify specific discovery requests that were **necessary** in light of the pending motions to dismiss. In addition, Plaintiff's Motion requested additional time to review responses to discovery requests to support Plaintiff's claims **in response to Defendants' Summary Judgment Motion**. (Dkt. No. 49 at 2). Thus, the only discovery appropriate at this time are those relevant to Defendants' Summary Judgment Motion.

As set forth in Defendants' Summary Judgment Motion, determining patent infringement is a two step process. "First, the claims must be correctly construed to determine the scope of the claims. Second, the claims must be compared to the accused device" to determine if the limitations are met. *See* Dkt. No. 11 at 5-6 (quoting *Kahn v. Gen. Motors, Corp.*, 135 F.3d 1472, 1476 (Fed. Cir. 1998). Thus, the only discovery relevant to Defendants' Summary Judgment Motion are those related to claim construction and the accused devices themselves.

While Defendants strongly believe that Plaintiff already has all of the necessary information to address Defendants' Motion for Summary Judgment in its possession, in order to expedite resolution of this case on the merits, Defendants agree to respond to the following discovery requests served on JAKKS Pacific, Inc. ("JAKKS"): Interrogatory Nos. 2, 6, 12, 17; Requests for Admission Nos. 2-8; and Request for Production No. 13.[1]

As discussed in detail below, the remaining discovery requests are wholly irrelevant to Defendants' Summary Judgment Motion, and are thus unduly burdensome at this time. If Plaintiff identifies any other discovery requests that are needed to respond to Defendants' Summary Judgment Motion, and the reasons why they are necessary (with supporting case law), Defendants will consider Plaintiff's arguments at that time.

In addition, Defendants object to all discovery served on any other defendant other than JAKKS. As Plaintiff's counsel admitted at the May 28, 2009 discovery conference, many of the discovery requests against the other defendants are duplicative and cumulative. Thus, such discovery is not needed and is unduly burdensome. Moreover, discovery served against retailers (*i.e.* Toys R Us and Disney Shopping, Inc.), not the manufacturer of the accused product, is similarly unnecessary at this time. Defendants object to all such discovery at this time.

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[1] No statements in this letter are to be construed as an admission of relevancy, and JAKKS expressly reserves its right to object to any discovery requests, including those identified above, on any and all bases, including relevancy.

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3. **Plaintiff's other discovery requests are irrelevant to the Summary Judgment Motion, are overly broad and unduly burdensome, and have been stayed**

The discovery requests not identified above are either completely irrelevant to Defendants' Summary Judgment Motion or are nonsensical. For example, with respect to Plaintiff's Interrogatories ("ROG") and Requests for Admission ("RFA") served on JAKKS, discovery related to invalidity (*e.g.*, ROG Nos. 1, 4, 5; RFA No. 9), unenforceability (*e.g.*, ROG No. 3), willful infringement (*e.g.*, ROG Nos. 7-11, 13-14; RFA Nos .10-11, 15-16), and acts of infringement (*e.g.*, ROG Nos. 9-11; RFA Nos. 12-14, 17-21) are irrelevant to Defendants' Summary Judgment Motion and are thus unnecessary at this time. Further, Moreover, as discussed in more detail below, Defendants are unable to respond to Plaintiff's nonsensical discovery requests (*e.g.*, ROG Nos. 4, 15-16; RFA Nos. 1, 9, 22-23).

With respect to Plaintiff's Requests for Production of Documents ("RFPs"), in addition to the relevancy issues identified above, the "re-served" RFPs also remain overly broad and unduly burdensome. At the May 28, 2009 discovery conference, Judge Abel specifically mentioned that the collection, review and production of electronic evidence such as e-mail communications **alone** would be an extremely large financial burden on the Defendants, and was thus not warranted at this time. These types of discovery requests were specifically addressed and excluded by Judge Abel until resolution of the pending Summary Judgment Motion and motions to dismiss.[2]

For example, without any regard to Judge Abel's comments, Plaintiff's "re-served" RFPs continue to broadly request "all documents" and "all communications" related to broad topics including, but not limited to, the design, development, manufacture, engineering specifications, memoranda, reports, evaluations, advertising, marketing, sale, patents, patent applications, efforts to design around, "pre-filing" communications, sales, revenues, profits, costs, operation, development, agreements, prior art, patentability studies, infomercials, brochures, press releases, advertising budgets, revenues, presentations, speeches, lectures, abstracts, transcripts, etc. concerning the accused products. While Plaintiff has reduced the number of requests, Plaintiff has done little, if anything, to limit the scope of requested discovery. Defendants object to all of these RFPs as overly broad and unduly burdensome at this time.

As discussed above, if Plaintiff identifies the relevance of any specific request, Defendants will consider Plaintiff's arguments. Nonetheless, in the interest of expediting resolution of these issues, Defendants will be prepared to address these objections at the conference with Judge Abel discussed above.

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[2] We note that Judge Holschuh specifically referred to Defendants' pending motion to dismiss for failure to join an indispensable party, and stated that "even if Plaintiff is granted leave to file the Third Amended Complaint, Defendants' pending motions to dismiss are not rendered moot." *See* June 19, 2009 Order at 2 n.2 (Dkt. No. 48).

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4. Plaintiff's additional misunderstandings

In addition to Plaintiff's misrepresentations discussed above, we note a few of Plaintiff's gross misunderstandings of the May 28, 2009 Order, patent law, and the Federal Rules of Civil Procedure:

- Judge Abel did not order Plaintiff to "re-serve" discovery requests, but allowed Plaintiff to identify specific requests already served. We will request further clarification on this issue because of the ambiguities caused by Plaintiff's recently "re-served" discovery requests (*i.e.* whether prior requests are superseded, effect on number of interrogatories allowed by the Federal Rules of Civil Procedure, etc.), including the availability of new requests not subsumed within Plaintiff's prior requests.

- Under 35 U.S.C. § 112(6), the structure that performs the recited function must be disclosed in the specification, not in the prior art. *See* ROG No. 4.

- Whether parts of a patented invention can be seen or the "functionality" of a specific claim element is not relevant to utility patents. *See* ROG No. 15; RFA Nos. 22-23.

- As previously mentioned, under Supreme Court precedent, *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 29 (1997), the doctrine of equivalents is applied on an element-by-element basis, not on the claim or patent as a whole. *See* ROG No. 16.

- Under 35 U.S.C. § 122, patent applications are kept secret when filed until issued or published. *See* RFA No. 10.

- Plaintiff's RFAs defines "Talking Poster" as "the '272 patent." RFA No. 1 requests: "Admit that the '272 Patent relates to a Talking Poster." Thus, this RFA asks JAKKS to admit that the '272 patent relates to itself.

- Plaintiff's RFAs defines "Talking Poster" as "the '272 patent." RFA No. 9 requests: "Admit that the Patent-in-Suit issued on August 20, 1996 is the prior art for the Talking Poster." A patent cannot be prior art to itself. *See* 35 U.S.C. § 102.

- On June 18, 2009, Plaintiff "re-served" discovery requests on Defendant Disney Shopping, Inc. ("DSI"). As previously mentioned, pursuant to Rules 12(a)(1)(A)(i) and 4(a)-(c) of the Federal Rules of Civil Procedure, discovery is premature because Plaintiff has not yet served a summons on DSI. Only after Plaintiff has served DSI with a summons and the Complaint will Plaintiff be entitled to serve discovery on it.

- Plaintiff stated that "Defendants' responses are due on or before July 18, 2009." *See* Plaintiff's Motion at 2. Plaintiff served the requests via e-mail. Thus, pursuant to Rule 5(b)(2)(E) and 6(d), Defendants responses are due on July 21, 2009. Moreover, even if

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Plaintiff had served the requests by hand, since July 18, 2009 is a Saturday, pursuant to Rule 6(a)(3), the response would be due on July 20, 2009.

- Plaintiff failed to consult with counsel for Defendants regarding its Motion for an Extension of Time (Dkt. No. 49) as required by S.D. Ohio Civ. R. 7.3(a).

Finally, Defendants again remind Plaintiff and its counsel of their intention to seek Defendants' attorneys' fees based on Plaintiff's filing of this frivolous lawsuit and Plaintiff's litigation misconduct, which has substantially increased, and will continue to substantially increase, the recoverable costs. We point out that Defendants have already prevailed on Plaintiff's Lanham Act claims, entitling Defendants to attorneys' fees. *See* 15 U.S.C. § 1117(a). Be on notice that Defendants intend to seek its attorneys' fees under Rule 11, section 1117(a) and 35 U.S.C. § 285.

Sincerely,

Michael J. Song

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June 25, 2009

CLIENT/MATTER NUMBER
094622-0101

VIA E-MAIL

Magistrate Mark Abel
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Re: *Clark v. The Walt Disney Co., et al.*
Case No. 2:08-CV-00982 (S.D. Ohio)

Dear Magistrate Abel:

We represent Defendants in the above-entitled action. We write in advance of the discovery conference set for Wednesday, July 1, 2009 at 2:30 p.m. (Eastern Time). We appreciate the Court's willingness to review this matter on such short notice.

I. Background

Two issues have raised the need for yet another discovery conference: (1) clarification of Your Honor's ruling at the May 28, 2009 discovery conference; and (2) the overly broad and unduly burdensome discovery requests "re-served" by Plaintiff after the May 28, 2009 discovery conference.

Pursuant to S. D. Ohio Civ. R. 37.1, the parties have attempted to resolve this issue via extrajudicial means, but were unable to resolve the dispute. As requested in the Preliminary Pretrial Order (Dkt. No. 20), JAKKS attaches to this letter: (1) correspondence between counsel for the parties; and (2) the discovery requests "re-served" on Defendants JAKKS Pacific, Inc. ("JAKKS"), Play Along Toys ("PAT"), Toys "R" Us ("TRU"), and Disney Shopping, Inc. ("DSI") on June 18, 2009. *See* attached List Of Exhibits.

II. Your Honor's Ruling at the May 28, 2009 Discovery Conference

The parties seek clarification of Your Honor's ruling at the May 28, 2009 discovery conference. At that discovery conference, Defendants renewed their request for a stay in discovery pending resolution of Defendants' pending motions to dismiss. Defendants believe that Your Honor granted a discovery stay, with the exception that Plaintiff would be allowed to identify specific discovery requests that were critical to the issues raised in Defendants' pending motions to dismiss. Plaintiff believe that "the Court, rather than staying discovery, placed limitations, pursuant to Fed.R.Civ.P. 26(b)(2)(C), on Plaintiff's discovery requests and allowed Plaintiff to re-serve discovery requests likely to lead to information to support Plaintiff's claims and help resolve critical

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issues." *See* Dkt. No. 49 at 2. Thus, the parties seek a written Order memorializing Your Honor's ruling at the May 28, 2009 discovery conference to remove any ambiguity.

III. Plaintiff's "Re-served" Discovery Requests On June 18, 2009

The parties also cannot agree as to whether certain discovery requests "re-served" by Plaintiff should be provided at this time. On June 18, 2009, Plaintiff "re-served" discovery requests on JAKKS, PAT, TRU and DSI.[1] Defendants believe that these "re-served" discovery requests are irrelevant to Defendants' pending motions and continue to be overly burdensome.

A. Plaintiff's Re-served Discovery Requests Are Unduly Burdensome

Plaintiff has "re-served" 17, 20 and 19 interrogatories; 23, 23 and 18 requests for admission; and 31, 33 and 34 requests for production on Defendants JAKKS, PAT and TRU, respectively. Given that Plaintiff has served 218 discovery requests on multiple defendants (281 including DSI), the discovery will necessarily be time consuming, burdensome and expensive.[2]

In addition, Plaintiff's "re-served" discovery requests suffer the same problems as Plaintiff's previously served discovery requests in that they are vague and ambiguous, overbroad and unduly burdensome, seek documents and information protected by the attorney-client privilege and/or attorney work product doctrine, seek irrelevant information, and some are simply incoherent and confusing. As before, Defendants are willing to address specific discovery requests if requested by the Court, and noted some of these problems in its June 23, 2009 letter to Plaintiff's counsel. *See* Exhibit 1.

Plaintiff's "re-served" discovery requests, while smaller in number, are just as overly broad as Plaintiff's previously served discovery requests. For example, although Your Honor noted at the May 28, 2009 discovery conference, that the collection, review and production of electronic documents, such as e-mails, would be expensive and burdensome, Plaintiff continues to seek "all documents" and "all communications" related to broad topics including, but not limited to, the design, development, manufacture, engineering specifications, memoranda, reports, evaluations, advertising, marketing, sale, patents, patent applications, efforts to design around, "pre-filing" communications, sales, revenues, profits, costs, operation, development, agreements, prior art, patentability studies, infomercials, brochures, press releases, advertising budgets, revenues, presentations, speeches, lectures, abstracts, transcripts, etc. concerning the accused products. *See, e.g.*, Plaintiff's "re-served" RFPs on JAKKS, attached as Exhibit 2.

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[1] As set forth in Defendants' May 26, 2009 letter to Your Honor (*see* p. 4 n.2), Defendants maintain that discovery requests served on DSI are premature because Plaintiff has yet to serve DSI with a summons. *See* Fed R. Civ. P. 12(a)(1)A)(i); *see also* Fed. R. Civ. P. 4(a)-(c).

[2] As set forth in Defendants' May 26, 2009 letter to Your Honor (*see* p. 4), Plaintiff previously served 366 discovery requests (489 including DSI).

Thus, as set forth in Defendants' May 26, 2009 letter to Your Honor, the number of discovery requests on multiple parties, the numerous of discovery disputes raised and likely to be raised, and the breadth of discovery sought heavily weighs in favor of a stay of Plaintiff's "re-served" discovery.

B. Defendants' Pending Motions

In the May 26, 2009 letter to Your Honor, Defendants noted the likelihood of success of Defendants' Motion to Dismiss for Failure to Join a Necessary Party (Dkt. No. 46) and Motion to Dismiss for Failure to State a Claim Upon Which Relief Can Be Granted (Dkt. No. 11). These motions remain pending before the Court. Below is an update as to the status of each motion.

1. Motion to Dismiss for Failure To Join a Necessary Party

Plaintiff did not file an opposition to Defendants' Motion to Dismiss for Failure to Join a Necessary Party. Instead, Plaintiff filed a Motion for Leave to Amend the Complaint to add John Peirano as a plaintiff. Dkt. No. 47. Defendants do not oppose Plaintiff's Motion for Leave to Amend. Both of these unopposed motions remain pending before the Court.

2. Motion to Dismiss for Failure to State a Claim upon Which Relief Can Be Granted

On June 19, 2009, the Court granted Defendants' Motion to Dismiss Plaintiff's false designation of origin and deceptive practices for failure to state a claim upon which relief can be granted. *See* Dkt. No. 48 at 4. With respect to Plaintiff's patent infringement claims, the Court noted that the file history of the patent-in-suit, while outside the pleadings, were relevant and may be helpful in construing the claims. *Id.* at 11. Thus, the Court converted the motion to dismiss into a motion for summary judgment, and allowed the parties to supplement the record. *Id.* at 12.

Specifically, the Court noted that during prosecution of the patent-in-suit, the Plaintiff overcame rejections based on prior art by amending the claims and arguing that the housing of his invention "allows artwork to be placed on the blister pack, by lithograph color technology, for example, so that the electronic circuitry and sound emanating means under the housing is 'camouflaged' in the poster presentation" and was "to be printed with artwork so as to visually blend in with the actual artwork of the poster, and effectively hide the sound module so as not to disturb or interrupt the visual flow of the poster." *Id.* at 11. In other words, the Court noted that the file history supported Defendants', not Plaintiff's, proposed claim construction. Accordingly, Defendants' Motion for Summary Judgment on the patent infringement claims is even more likely to succeed.

On June 22, 2009, Plaintiff filed a Motion for Extension of Time to supplement the record allegedly "to fully review Defendants discovery responses and adequately prepare additional materials to support Plaintiff's claims in response to Defendants' Motion for Summary Judgment."

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See Dkt. No. 49 at 2. The only issues relevant to Defendants' Motion for Summary Judgment, however, are claim construction and infringement.

Defendants maintain Plaintiff already has in its possession all information needed to address these two issues, including the patent-in-suit, the file history, any extrinsic evidence (*i.e.* dictionary definitions), and the accused products. Nonetheless, in order to expedite resolution of its Motion for Summary Judgment, Defendants agreed to respond to a limited number of discovery requests arguably relevant to these issues, including the following "re-served" discovery requests on JAKKS: Interrogatory Nos. 2, 6, 12, 17; Requests for Admission Nos. 2-8; and Request for Production No. 13. *See* Exhibit 1.

Defendants, however, believe that discovery related to any other issues, including invalidity, unenforceability, willful infringement, the acts of direct infringement (*i.e.* make, use, sell, offer for sale, import), the acts of indirect infringement (*i.e.* contributory or induced infringement), and damages, are irrelevant to Defendants' Motion for Summary Judgment, and thus should be stayed at this time. Notably, because all of the defendants have filed motions to dismiss,[3] none of the defendants have yet filed an Answer to the Complaint, and thus have not yet raised invalidity or unenforceability defenses.

IV. Summary

In sum, Defendants request an Order (1) confirming that Your Honor stayed discovery at the May 28, 2009 discovery conference, and (2) staying all discovery other than those relevant to Defendants' Motion for Summary Judgment.

Sincerely,

Michael J. Song

cc: Sharlene Chance (via email w/enclosures)
Brian Dickerson (via email w/ enclosures)
Kevin Connors (via email w/ enclosures)
Grant E. Kinsel (via email w/ enclosures)

[3] Defendant The Walt Disney Co. has filed a Motion to Dismiss for Lack of Personal Jurisdiction. Dkt. No. 16.

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LIST OF EXHIBITS

1. Letter from Song to Chance on June 23, 2009, attached as Exhibit 1;
2. Plaintiff's "re-served" First Set of Requests for Production on Defendant JAKKS Pacific, Inc., attached as Exhibit 2;
3. Plaintiff's "re-served" First Set of Interrogatories on Defendant JAKKS Pacific, Inc., attached as Exhibit 3;
4. Plaintiff's "re-served" First Set of Requests for Admission on Defendant JAKKS Pacific, Inc., attached as Exhibit 4;
5. Plaintiff's "re-served" First Set of Requests for Production on Defendant Play Along Toys, attached as Exhibit 5;
6. Plaintiff's "re-served" First Set of Interrogatories on Defendant Play Along Toys, attached as Exhibit 6;
7. Plaintiff's "re-served" First Set of Requests for Admission on Defendant Play Along Toys, attached as Exhibit 7;
8. Plaintiff's "re-served" First Set of Requests for Production on Defendant Toys "R" Us, Inc., attached as Exhibit 8;
9. Plaintiff's "re-served" First Set of Interrogatories on Defendant Toys "R" Us, Inc., attached as Exhibit 9;
10. Plaintiff's "re-served" First Set of Requests for Admission on Defendant Toys "R" Us, Inc., attached as Exhibit 10;
11. Plaintiff's "re-served" First Set of Requests for Production on Defendant Disney Shopping, Inc., attached as Exhibit 11;
12. Plaintiff's "re-served" First Set of Interrogatories on Defendant Disney Shopping, Inc., attached as Exhibit 12;
13. Plaintiff's "re-served" First Set of Requests for Admission on Defendant Disney Shopping, Inc., attached as Exhibit 13.